BELLSOUTH

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April 23, 2003

EX PARTE

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445 12th St. SW
Washington, D.C. 20554

Re: CC Docket 01-92

Dear Ms. Dortch:

On April 22, 2003, the following persons representing BellSouth met with FCC staff to discuss inter-carrier compensation mechanisms: Pete Martin, Lisa Brooks, Don Barbour, Shelley Decker, Jennifer Kendall and Glenn Reynolds. FCC staff participating in this discussion were: Victoria Schlesinger, Stacy Jordan, Jared Carlson, Tamara Preiss, Steve Morris, Chris Barnekov, Peter Trachtenberg, Alvaro Gonzalez, Joseph Levin, Walt Strack, and Jay Atkinson. The attached presentation formed the basis of the discussion.

This notice is being filed pursuant to Section 1.1206 (b)(2) of the Commission rules.

Sincerely,

Glenn T. Reynolds

cc:

Victoria Schlesinger
Stacy Jordan
Jared carlson
Tamara Preiss
Steve Morris
Chris Barnekov
Peter Trachtenberg
Alvaro Gonzalez
Joseph Levin
Walt Strack
Jay Atkinson

BellSouth Bill and Keep Proposal

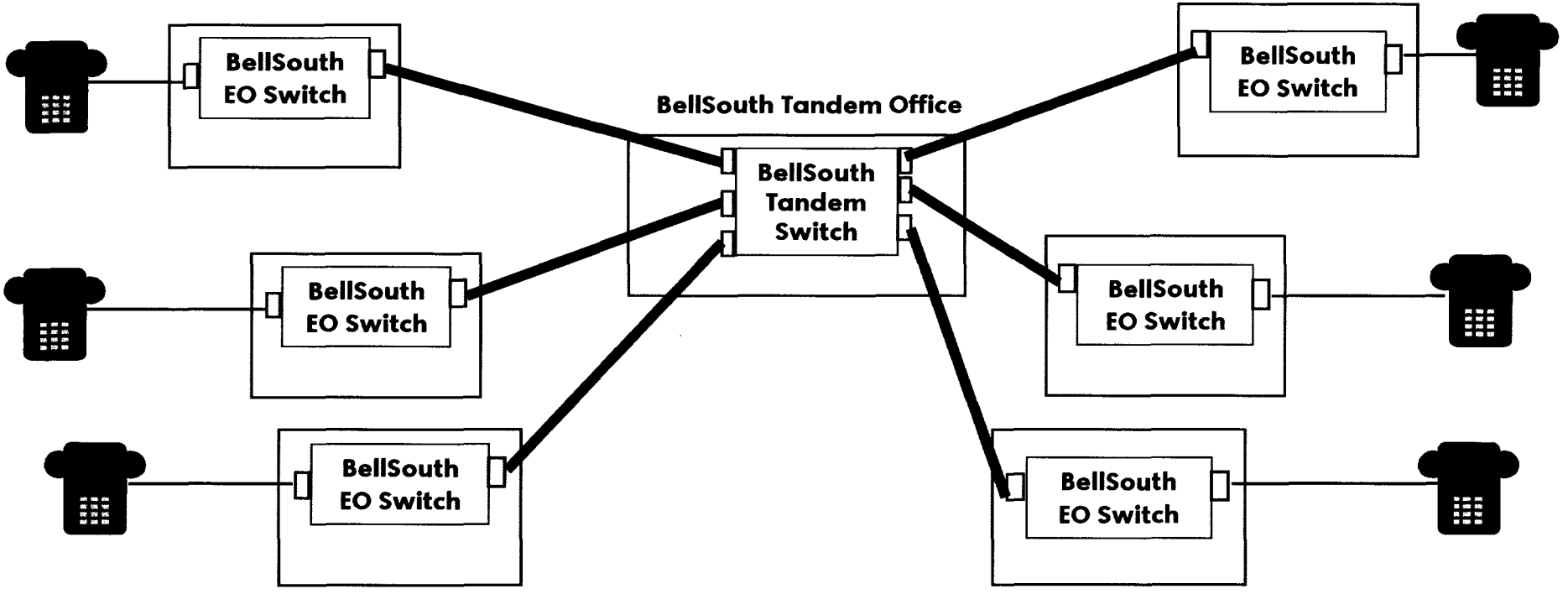
Interconnection Today and Tomorrow

April 22, 2003

BellSouth Bill and Keep Proposal

- **Purpose of Meeting**
- **Overview of BellSouth's Network**
- **Interconnection in Today's Environment**
  - IXCs
  - ICOs
  - CMRS
  - CLECs
- **Interconnection in a Bill and Keep Environment**
  - BellSouth's Proposal

How We Interconnect Today – BellSouth's Network

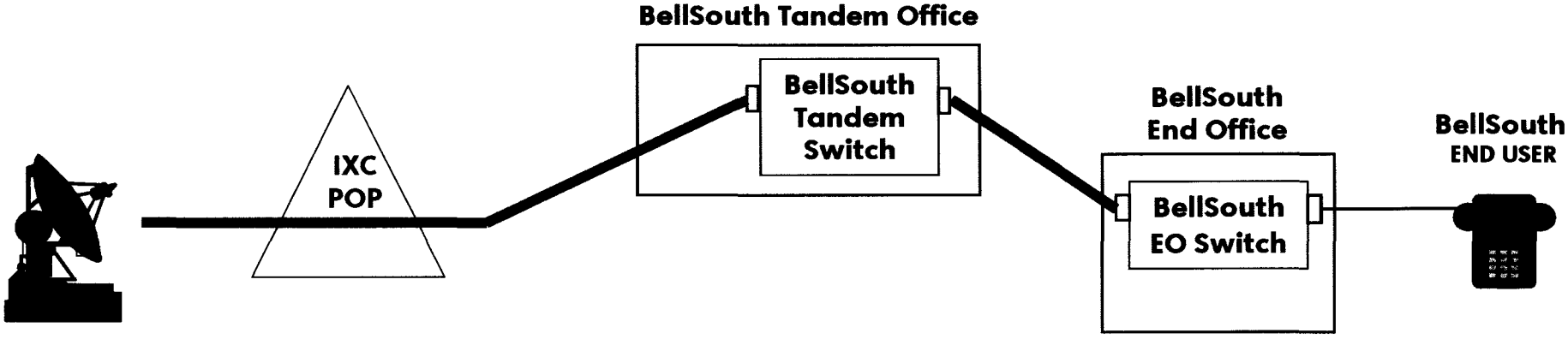


BellSouth's network is designed around a "hub and spoke" concept in which one Central Office, or "Tandem Office", is connected to several other Central Offices, including "End Offices" and other Tandem Offices.

Tandem Offices do not connect directly to End Users. Tandem Offices act as the "hub" or traffic aggregator in BellSouth's network by connecting End Offices to other End Offices. The End Offices act as "spokes" that connect directly to End Users.

This network design allows for efficiency in that all End Offices do not have to be connected directly to every other End Office.

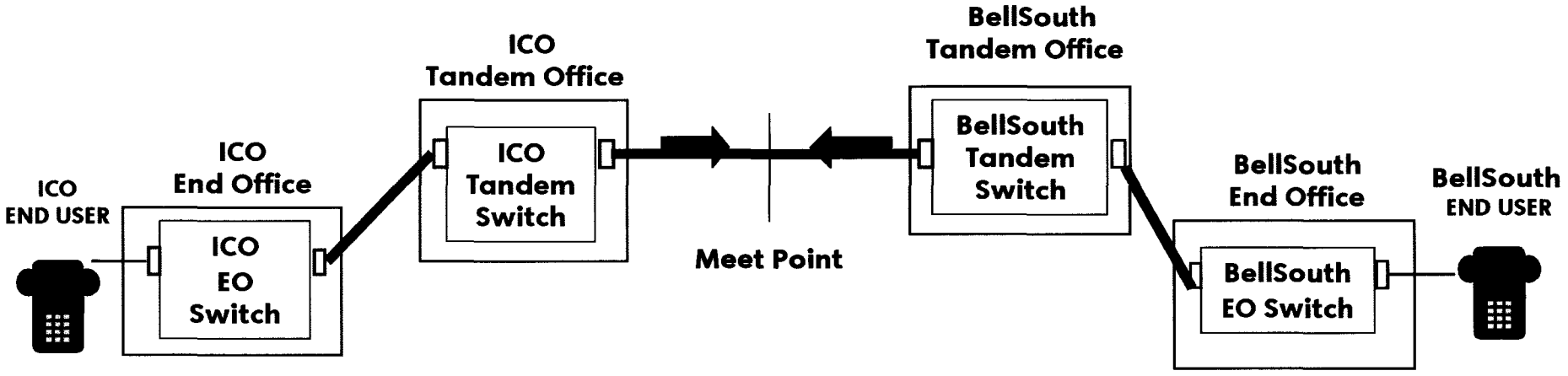
How We Interconnect Today – Interexchange Carriers



BellSouth and Interexchange Carriers ("IXC") interconnect for the delivery of interLATA and intraLATA toll calls to End Users.

IXCs generally establish a Point of Presence (POP) near a BellSouth Central Office and from that point purchase facilities to the BellSouth Tandem Offices.

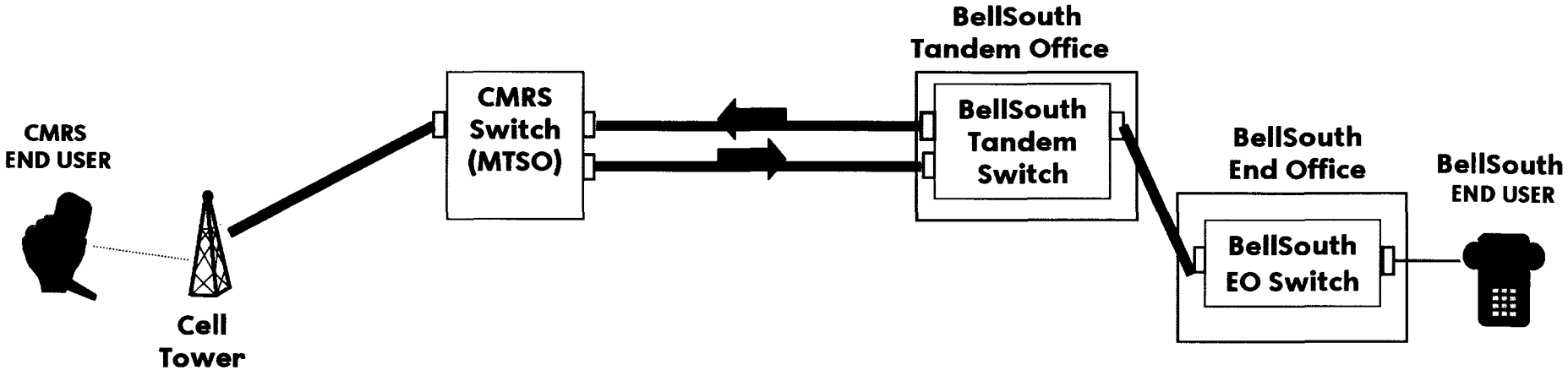
How We Interconnect Today – Independent Companies



BellSouth connects to Independent Companies ("ICOs") via a jointly provided facility that is established between the Tandem Offices of both companies.

In situations where the ICO "homes" off the BellSouth tandem office, the jointly provided facility is between the ICO's end office and BellSouth's tandem office.

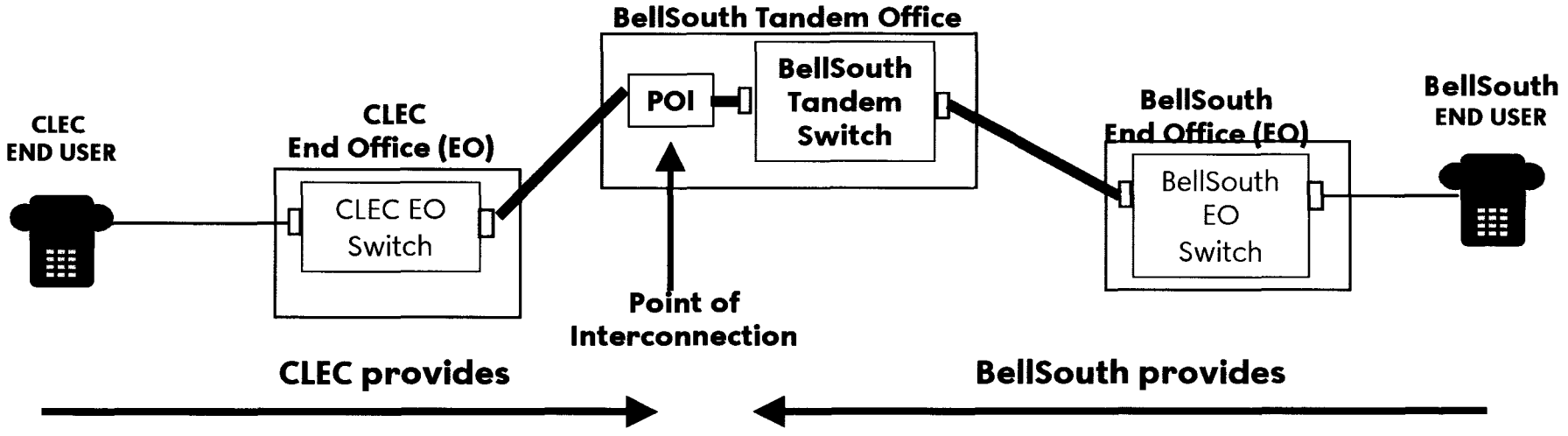
How We Interconnect Today – CMRS Carriers



BellSouth connects to CMRS carriers via either a BellSouth or CMRS provided facility as shown above or a jointly provided facility that is established between the BellSouth Tandem Office and the CMRS switch.

MTSO – Mobile Telephone Switching Office

How We Interconnect Today – Competitive LECs (CLECs)



Approximately 44% of facility-based Competitive LECs ("CLECs") have established a Point of Interconnection at a BellSouth Tandem Office as shown above.

Approximately 38% of CLEC POIs are within 5 miles of the main BellSouth Tandem Office.

Approximately 15% of CLEC POIs are between 5 miles and 15 miles of the main BellSouth Tandem Office.

The remaining 3% of CLEC POIs are greater than 15 miles from the main BellSouth Tandem Office.

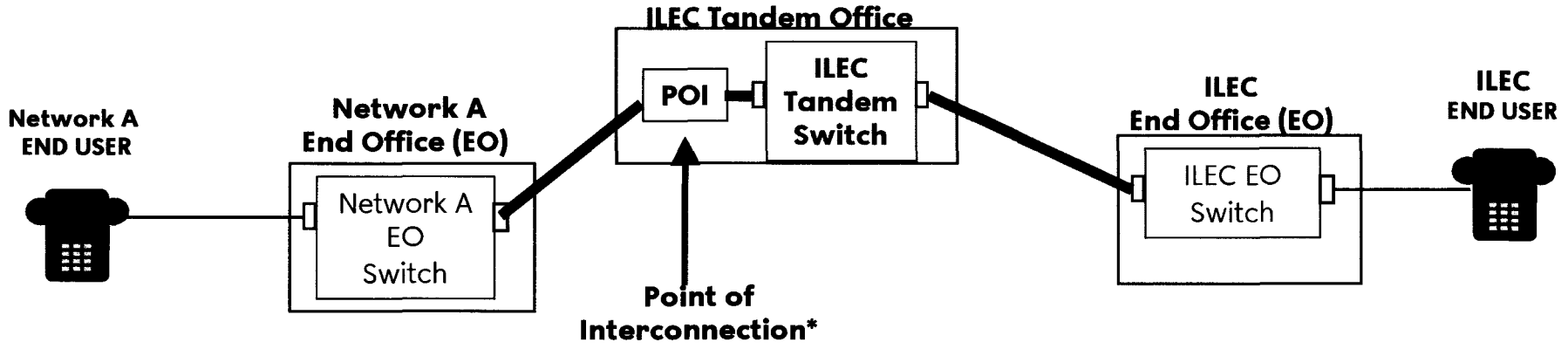
BellSouth's Tandem Proposal

- The following default applies to the facility based interconnection of Incumbent Local Exchange Carriers (ILECs), Competitive LECs (CLECs), Commercial Mobile Radio Service (CMRS) providers (including paging providers) and Interexchange Carriers (IXCs) when two carriers are unable to reach a mutually acceptable, negotiated arrangement for interconnection.

- Further, the default describes the conditions under which intercarrier compensation is bill-and-keep between those interconnecting carriers.

Tandem Proposal – POI Location

The default Point of Interconnection (POI) is the ILEC's Tandem Office serving the End Office (EO).

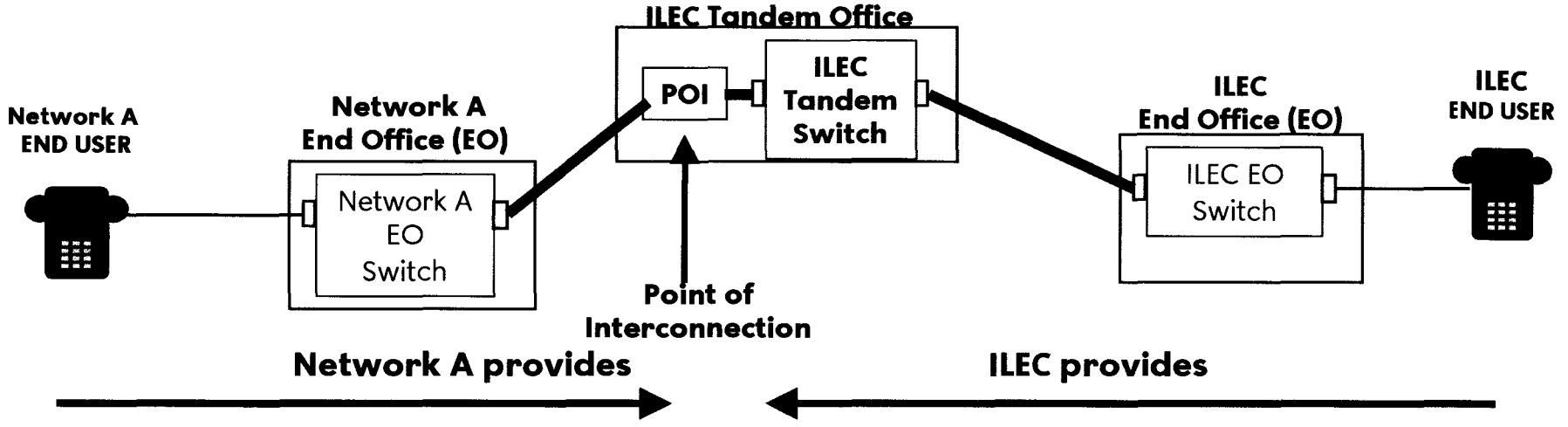


- Tandem office locations are based on density of lines. Connection at tandem offices provides a more convenient or cost-effective connection than interconnecting at every end office. Thus, the tandem office is an economically sound requirement for interconnection obligations.
  - ➢ This default POI would be the same for both directions of traffic - originating and terminating.
  - ➢ The tandem office is the access tandem for access to the end offices subtending that tandem.

* *POI is the physical point at which the two parties' networks meet for the exchange of traffic. POIs can be established through various arrangements such as physical collocation, virtual collocation, etc.*

Tandem Proposal – Transport Responsibility

Each Party has the obligation to provide the transport on its side of the POI, and the trunk port on its switch.

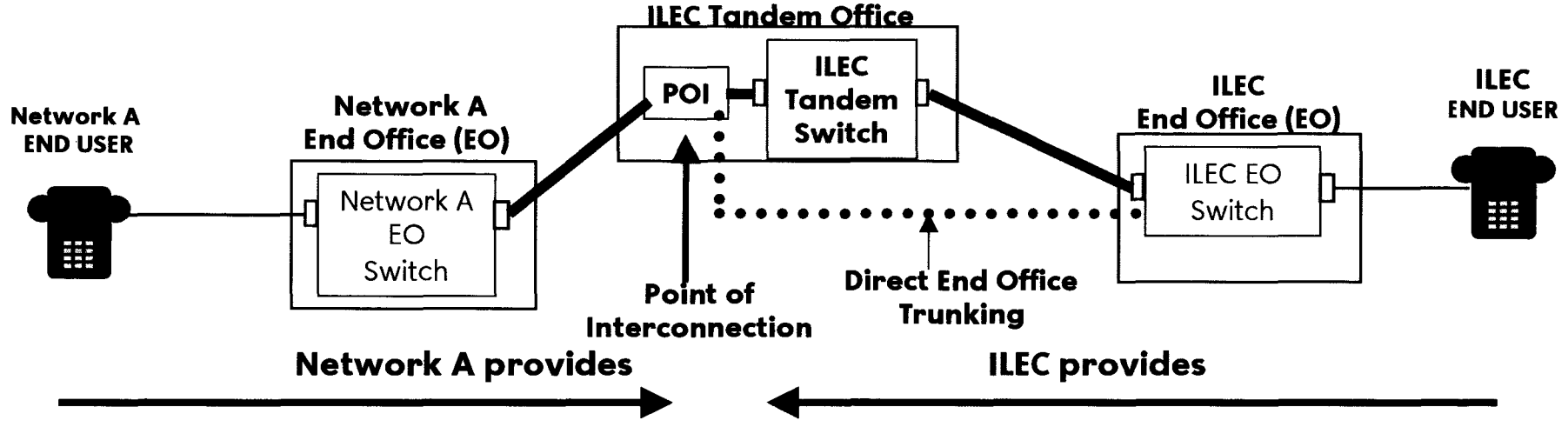


A Party can fulfill its obligation to provide the transport on its side of the POI by:

- building out its own facilities
- leasing facilities from a third party
- purchasing from the ILEC at market based rates

Tandem Proposal - Trunking Implications

Overflow traffic can traverse the tandem switch if volumes are less than a DS-1 level



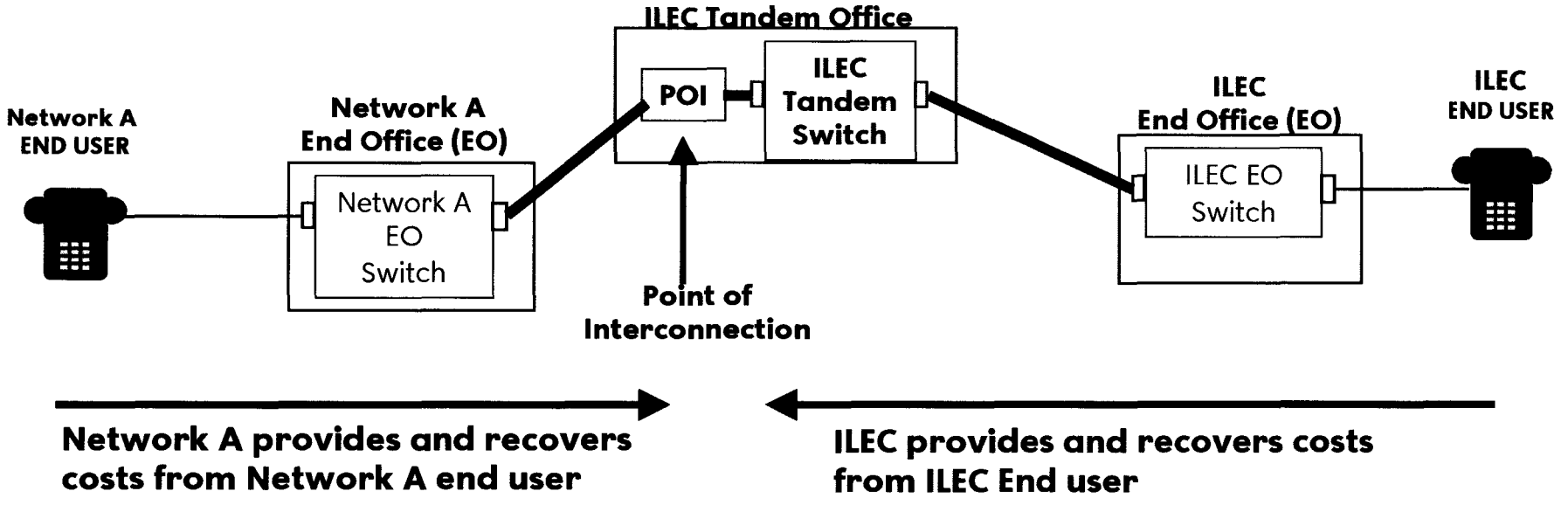
- The Parties mutually agree to tandem route or direct end-office route traffic.
- If the Parties cannot mutually agree, then the default arrangement will require direct end-office trunking:

  1) when the traffic exchanged at that end office exceeds a DS1 during the time consistent busy hour; or

  2) under a tandem exhaust situation.
- Each carrier is still responsible for providing transport facilities on its side of the point of interconnection, or ILEC tandem office. However, the trunking would be direct end-office routed for efficiency.
- Overflow traffic can traverse the tandem switch if volumes are less than a DS-1 level.

Tandem Proposal – Cost Recovery

Each carrier recovers the costs of its network from its own subscribers.



- Similar to the COBAK proposal, each carrier recovers the cost of its network elements used in a call from the end user.
- Such arrangement will require end user rate structure changes.

BellSouth's Tandem Proposal - Impacts

Impacts on current Interconnection arrangements:

- **IXCs** – Currently IXCs purchase transport for traffic originating from and terminating to ILECs. Under this proposal, they would still be obligated to provide or purchase such transport to the tandem office.

- **CMRS** – Currently BellSouth transports its originated traffic to the Wireless MTSO and Wireless Carriers transport their originated traffic to the tandem office for Type 2A traffic. Under this proposal, the ILEC transports its originated traffic to the tandem office and Wireless Carriers continue to transport their originated traffic to the tandem office for Type 2A traffic.

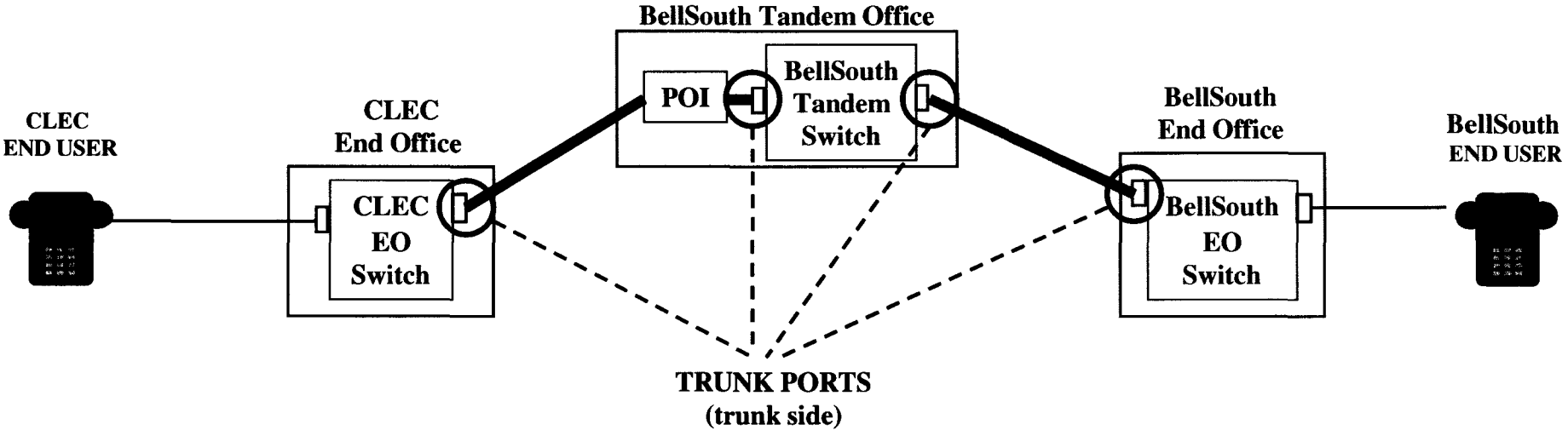
- **Facility-based CLECs** – Currently BellSouth has numerous arrangements for Local Interconnection, ranging from BellSouth transporting both Parties' traffic to and from a CLEC POP to BellSouth transporting to and from the tandem office. Under this proposal, each Party transports traffic on its side of the tandem office.

- **ILEC to ILEC:** Unlike CLECs, ILEC territories are adjacent to and do not enter other ILEC territories. Therefore, interconnection takes place through a meet point at the service boundary. Each carrier is responsible for providing transport facilities on its side of the point of interconnection or meet point.

Backup

A more detailed look at trunks and facilities obligations.

How We Interconnect Today – Trunk Ports

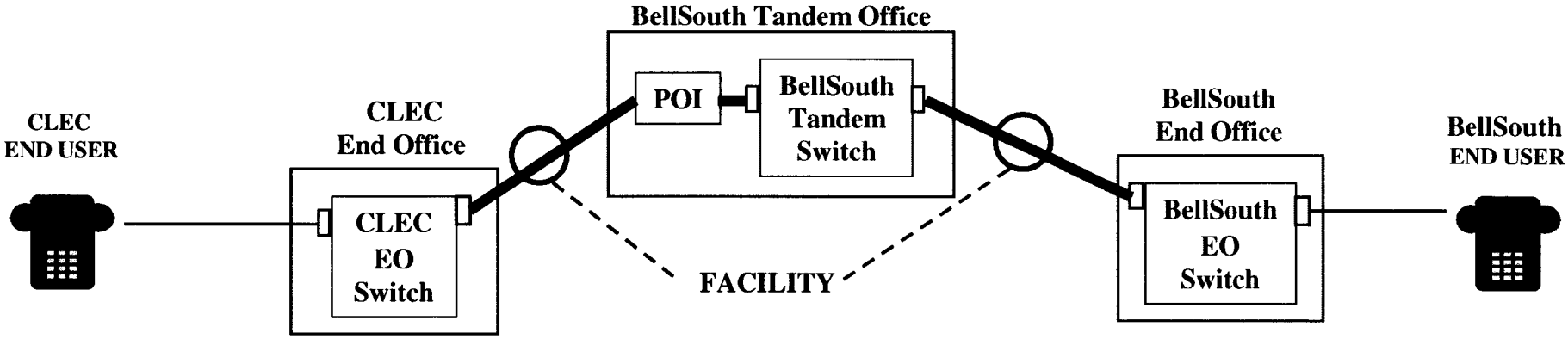


Trunk Ports: a point at which voice signals can enter or leave the network in route to or from another network.[1]

Each carrier must provide trunk ports to allow the voice telephone signals to enter and leave the switch.

[1]National Communications System Technology & Standards Division. (1996, August 7) Federal Standard 1037C. Retrieved April 4, 2003 from the World Wide Web: http://www.its.bldrdoc.gov/fs-1037/

How We Interconnect Today - Facilities

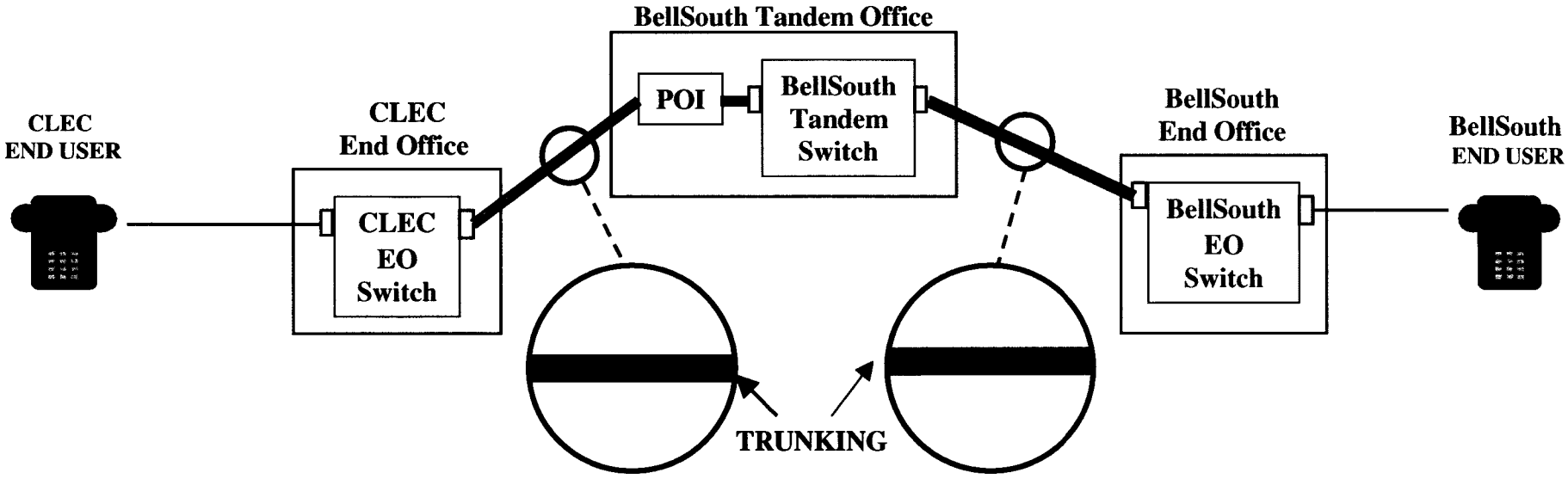


Facility: the physical facility that connects two switches and that allows the transmission of voice telephone signals.

In the diagram above, the CLEC must provide the facility to carry the telephone signals to and from the BellSouth Tandem Office POI. Facilities may vary in size, such as DS0 or DS1, depending on how many telephone signals the facility needs to accommodate. A DS0 carries a single telephone signal and a DS1 carries 24 telephone signals.

Just like the CLEC, BellSouth must provide the facility to carry the voice telephone signals to and from the BellSouth End Office switch to the BellSouth Tandem Office switch for delivery to the CLEC at the POI. Similar to the CLEC, the facility size may also vary.

How We Interconnect Today - Trunking



Trunking: the actual voice telephone signaling that travels over the facility.

Many carriers use the term "trunking" to refer to the facility or the trunk port. However, for purposes of this discussion, we refer to "trunking" as voice signaling.